

Message Text

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ACTION ARA-17

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SUBJECT: REACTION TO AKINS STATEMENT ON ORINOCO TAR BELT

1. JAMES AKINS' OIL CRISIS ARTICLE IN APRIL ISSUE OF FOREIGN AFFAIRS BROUGHT PROMPT POLITICAL REACTION HERE. IN EL UNIVERSAL ARTICLE APRIL 11, DOMINGO ALBERTO RANGEL, LEFTIST ECONOMIST, QUOTES AKINS' STATEMENT

THAT " WE HAVE ALSO DISCUSSED A TREATY WITH VENEZUELA WHICH WOULD PERMIT THE DEVELOPMENT OF HER HEAVY OILS" AND CONTINUES " NO ONE KNOWS ANYTHING ABOUT THIS TREATY THAT IS BEING DISCUSSED." AKINS IS NOT A CLOTH SALESMAN IN MIAMI, BUT RATHER THE PETROLEUM COUNSELOR OF PRESIDENT NIXON... I THINK THAT THE PRESIDENT OF VENEZUELA AND THE MINISTER OF MINES ARE OBLIGED TO SPEAK ABOUT THIS TREATY."

2. SAME DAY EL NACIONAL REPORTED URD SENATOR AND PRESIDENTIAL CAMPAIGN MANAGER LEONARDO MONTIEL ORTEGA ANNOUNCED THAT AKINS SPOKE WITH POLITICAL LEADERS AND PRESIDENTIAL CANDIDATES AS WELL AS GOVERNMENT OFFICIALS HERE LAST SEPTEMBER, AND THAT " URD WILL ASK THAT CONGRESS OPEN AN EXHAUSTIVE INVESTIGATION OF THE PRESSURES THAT ARE BEING BROUGHT BY THE UNITED STATES" AND PROMISES THAT MAY HAVE BEEN MADE BY POLITICAL LEADERS WHICH MADE AKINS SO OPTIMISTIC ABOUT AGREEMENT FOR JOINT DEVELOPMENT OF TAR BELT AFTER DECEMBER ELECTIONS.

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MONTIEL HELD THAT " WHAT VENEZUELA MUST DO IS TO PRODUCE LESS RATHER THAN MORE OIL TO RAISE THE PRICE TO A MUCH HIGHER LEVEL THAN THE GOVERNMENT HAS SET."

3. FOLLOWING DAY NACIONAL REPORTED THAT NEW FORCE PRESIDENTIAL CANDIDATE JESUS PAZ GALARRAGE, SPEAKING TO CROWD IN SUCRE STATE, " ALERTED THE VENEZUELAN PEOPLE TO DEFEND THE NATIONAL SOVEREIGNTY FROM THE APPETITES OF NORTH AMERICAN IMPERIALISM IN RELATION TO THE ORINOCO TAR BELT." HE STATED THAT REPRESENTATIVES OF " INTERNATIONAL CAPITALIST MONOPOLY" AND US GOVERNMENT HAVE MADE CONTACT WITH AD AND COPEL. IN VIEW OF ISSUANCE OF SERVICE CONTRACTS, WHICH ARE NO MORE THAN " MASKED CONCESSIONS," HE WARNED, PEOPLE MUST BE ALERT DESPITE MINES MINISTER PEREZ LA SALVIA' S ASSURANCES THAT GOVERNMENT WILL NOT NEGOTIATE TAR BELT.

4. NACIONAL ALSO REPORTED APRIL 12 PRO- VENEZUELA' S " FRENTE NACIONAL PRO DEFENSA DEL PETROLEO" BELIEVES SITUATION HAS BEEN SUFFICIENTLY CLARIFIED SINCE, ALTHOUGH AKINS MENTIONED TO PEREZ LA SALVIA POSSIBILITY OF DISCUSSION OF TAR BELT, WASHINGTON HAS MADE NO FORMAL PROPOSAL. IF, HOWEVER, FRENTE SOURCE CONTINUED, SUCH PROPOSAL IS MADE AND GOVERNMENT WERE WILLING TO CONSIDER IT, WHICH PEREZ HAS DENIED, IT WOULD BE MATTER FOR CONGRESSIONAL CONSIDERATION.

5. COMMENT. THESE REACTIONS TO AKINS' SEEMINGLY INNOCUOUS STATEMENT ARE INDICATIVE OF EXTREME NATIONALIST SENSITIVITY TO EVEN SLIGHTEST HINT THAT US HAS MANIFEST DESTINY TO HAVE ACCESS TO VENEZUELAN PETROLEUM RESOURCES. THEY WOULD BE MORE SENSITIVE IF WE DISREGARDED THEIR RESOURCES.
MCCLINTOCK

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